STATUTORY INSTRUMENTS

1973 No. 1928

HOUSING, ENGLAND AND WALES
HOUSING, SCOTLAND

The Assistance for House Purchase and Improvement (Increase of Subsidy) Order 1973

Laid before the House of Commons in draft

Made - - - - 15*th November* 1973

Coming into Operation 1*st December* 1973

The Secretary of State for the Environment, the Secretary of State for Wales and the Secretary of State for Scotland, acting jointly in exercise of their powers under subsections (3), (4) and (5) of section 28 of the Housing Subsidies Act 1967**(a)** (added to that section by section 78 of the Housing Act 1969**(b)**)**(c)** and of all other powers enabling them in that behalf, with the approval of the Treasury, hereby make the following order in the terms of a draft which has been laid before the Commons House of Parliament and has been approved by a resolution of that House:—

1. This order may be cited as the Assistance for House Purchase and Improvement (Increase of Subsidy) Order 1973 and shall come into operation on 1st December 1973.

2.—(1) In this order "the Act" means the Housing Subsidies Act 1967.

(2) The Interpretation Act 1889**(d)** shall apply for the interpretation of this order as it applies for the interpretation of an Act of Parliament.

3. With respect to interest payable for any period beginning on or after 1st January 1974 under a contract requiring repayment of a loan subsidised under Part II of the Act, the Assistance for House Purchase and Improvement (Increase of Subsidy) Order 1969**(e)** shall be varied and have effect as follows:—

(*a*) in article 4, for the date "1st January 1970" there shall be substituted the date "1st January 1974"; and

(*b*) for the Schedule, there shall be substituted the following Schedule—

(a) 1967 c. 29. **(b)** 1969 c. 33.

(c) The powers conferred on the Minister of Housing and Local Government are now exercisable by the Secretary of State for the Environment under S.I. 1970/1681 (1970 III, p. 5551).

(d) 1889 c. 63 **(e)** S.I. 1969/1626 (1969 III, p. 5120).

SCHEDULE

(1) Rate of Interest	(2) Higher percentage	(3) Higher percentage
Exceeding 7 per cent. per annum but not exceeding $7\frac{7}{8}$ per cent. per annum.	$2\frac{1}{4}$ per cent.	2 per cent.
Exceeding $7\frac{7}{8}$ per cent. per annum but not exceeding $8\frac{3}{4}$ per cent. per annum.	$2\frac{1}{2}$ per cent.	$2\frac{1}{4}$ per cent.
Exceeding $8\frac{3}{4}$ per cent. per annum but not exceeding $9\frac{5}{8}$ per cent. per annum.	$2\frac{3}{4}$ per cent.	$2\frac{1}{2}$ per cent.
Exceeding $9\frac{5}{8}$ per cent. per annum but not exceeding $10\frac{1}{2}$ per cent. per annum.	3 per cent.	$2\frac{3}{4}$ per cent.
Exceeding $10\frac{1}{2}$ per cent. per annum but not exceeding $11\frac{3}{8}$ per cent. per annum.	$3\frac{1}{4}$ per cent.	3 per cent.
Exceeding $11\frac{3}{8}$ per cent. per annum.	$3\frac{1}{2}$ per cent.	$3\frac{1}{4}$ per cent.

"

Geoffrey Rippon,
8th November 1973. Secretary of State for the Environment.

Peter Thomas,
9th November 1973. Secretary of State for Wales.

Gordon Campbell,
12th November 1973. Secretary of State for Scotland.

We approve.

Michael Joplin,
P. L. Hawkins,
Two of the Lords Commissioners of Her Majesty's Treasury.

15th November 1973.

EXPLANATORY NOTE

(This Note is not part of the Order.)

The Assistance for House Purchase and Improvement (Increase of Subsidy) Order 1969 ("the 1969 Order") specified two scales of percentages higher than and to replace, in most cases, the two per cent. and the one and three-quarters per cent. mentioned respectively in section 28(1) and (2) of the Housing Subsidies Act 1967 (aggregate amount of subsidy for option mortgages). The 1969 Order thus increased subsidy for option mortgages with respect to interest payable for any period beginning on or after 1st January 1970, provided that the rate of interest applicable for the time being under the repayment contract exceeded seven per cent. per annum.

The present Order, which operates in respect of interest payable under option mortgages for any period beginning on or after 1st January 1974, varies the 1969 Order so as to increase the subsidy for such mortgages where the rate of interest for the time being applicable under the repayment contract exceeds $10\frac{1}{2}$ per cent. per annum. The Order extends the interest rate limits set out in the Schedule to the 1969 Order and specifies two scales of percentages in relation thereto, which are higher than and replace the two per cent. and the one and three-quarters per cent. mentioned respectively in section 28(1) and (2) of the 1967 Act. The scale of higher percentages in column (2) of the Schedule to the 1969 Order (as varied by the present Order) applies where the periodical payments consist partly of repayment of capital and partly of interest on the loan. The scale of higher percentages in column (3) of the Schedule applies to periodical payments of interest on capital where, under the repayment contract, no repayment of capital is required to be made by those periodical payments. Each scale varies according to the rate of interest applicable for the time being under the repayment contract.

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